



Rule(s) Review Checklist Addendum
(This form must be filled out electronically.)

This form is to be used only if the rule(s) was/were previously reviewed, and has/have not been amended/repealed subsequent to that review.

All responses should be in **bold** format.

Document(s) Reviewed (include title): **WAC 458-20-231**
Tax on internal distribution

Date last reviewed: **June 11, 1998**

Reviewer: **JoAnne Gordon**

Date current review completed: **January 7, 2003**

Briefly explain the subject matter of the document(s):

WAC 458-20-231 explains how the internal distribution B&O tax applies to internal transfers of tangible personal property from a central location to retail outlets where there is no change of ownership. The rule also provides formulas and methods for calculating internal transfer prices for tax purposes.

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Public requests for review:

YES	NO	
	X	Is this document being reviewed at this time because of a public (e.g., taxpayer or business association) request?

If "yes," provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request.

2. Related statutes, interpretive and/or policy statements, court decisions, BTA decisions, and WTDs: (Excise Tax Advisories (ETAs), Property Tax Advisories and Bulletins (PTAs/PTBs), and Interim Audit Guidelines (IAGs) are considered interpretive and/or policy statements.)

YES	NO	
	X	Are there any statutory changes subsequent to the previous review of this rule that should be incorporated?
	X	Are there any interpretive or policy statements not identified in the previous review of this rule that should be incorporated? (An Ancillary Document Review Supplement should be completed for each and submitted with this



		completed form.)
X		Are there any interpretive or policy statements that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) subsequent to the previous review of this rule that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) subsequent to the previous review of this rule that provide information that should be incorporated into the rule?
	X	Are there any changes to the recommendations in the previous review of this rule with respect to any of the types of documents noted above? (An Ancillary Document Review Supplement should be completed if any changes are recommended with respect to an interpretive or policy statement.)

If the answer is “yes” to any of the questions above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

Because the internal distribution tax was eliminated effective July 1, 1998, the ETAs identified below serve no purpose and should be cancelled. Refer to the Ancillary Document Review Supplement for further information concerning these ETAs:

ETA 063.04.231 Transfer and Loading Stations

ETA 065.04.231 Transfers from Tank Farms to Bulk Plants

ETA 151.04.231 Wholesaling Functions Tax on Distributions Between Retail Stores

ETA 359.04.231 Inventory Transfers to Branches Prior to Opening

3. Additional information: Identify any additional issues (other than those noted above or in the previous review) that should be addressed or incorporated into the rule. Note here if you believe the rule can be rewritten and reorganized in a more clear and concise manner.

4. Listing of documents reviewed: The reviewer need identify only those documents that were not listed in the previous review of the rule(s). Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive or policy statements, and similar documents should include titles. Citations to Attorney General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).

Statute(s) Implemented: **None**

Interpretive and/or policy statements (e.g., ETAs, PTAs, and IAGs):

ETA 063.04.231 Transfer and Loading Stations

ETA 065.04.231 Transfers from Tank Farms to Bulk Plants

ETA 151.04.231 Wholesaling Functions Tax on Distributions Between Retail Stores

ETA 359.04.231 Inventory Transfers to Branches Prior to Opening



Court Decisions: **None**

Board of Tax Appeals Decisions (BTAs): **None**

Appeals Division Decisions (WTDs):

- **Det. No. 99-208, 19 WTD 810 (2000) determined that the value of stale bakery products picked up from retailer by taxpayer and delivered to taxpayer's thrift shop for sale at retail was not subject to the internal distribution B&O tax.**
- **Det. No. 00- 00-007, 19 WTD 694 (2000) determined that the elimination of the internal distribution tax applied prospectively and not retroactively.**

Attorney General Opinions (AGOs): **None**

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

- **Internal Distribution Tax Classification Eliminated Effective July 1, 1998. Special Notice issued June 26, 1998.**

5. Review Recommendation:

- _____ **Amend**
- X** **Repeal/Cancel** (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
- _____ **Leave as is** (Appropriate even if the recommendation is to incorporate the current information into another rule.)
- _____ **Begin the rule-making process for possible revision.** (Applies only when the Department has received a petition to revise a rule.)

Explanation of recommendation: Provide a brief summary of your recommendation, whether the same as or different from the original review of the document(s). If this recommendation differs from that of the previous review, explain the basis for this difference.

If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, court decisions).



As a result of Chapter 329, Laws of 1998, the internal distribution tax imposed in RCW 82.04.270(2) was eliminated effective July 1, 1998. Because the statutory period for refunds and assessments has passed, WAC 458-20-231 and the ETAs noted above should be repealed.

6. Manager action: Date: 4/28/03

AL Reviewed and accepted recommendation

Amendment priority:

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